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**BEFORE THE
DEPARTMENT OF TRANSPORTATION
WASHINGTON, D.C.**

DEPARTMENT OF TRANSPORTATION

97 JUN 12 AM 11:45

DOCKET SECTION

Application of)

AirTran Airways, Inc.)

For an exemption from Subparts K)
and S of 14 CFR Part 93 (Slot Restrictions at New)
York LaGuardia Airport as to provide nonstop)
service between:)

Bloomington-Normal, IL/Moline-Quad Cities, IL)
& New York, LaGuardia(combination service):)

et al.)

Docket OST-97-2557 - 13

Accepted per
J Davis X-55

**Filing in Support of AirTran Request for Exemption to Obtain Slots at New
York/LaGuardia Airport
On Behalf of
The Central Illinois Regional Airport**

Communications with respect to this document should be addressed to:

Mr. Michael La Pier, A.A.E.
Executive Director
Central Illinois Regional Airport
at Bloomington-Normal
2901 East Empire Suite 200
Bloomington, IL 61704

June 10, 1997

QPS

Docket OST-97-2557

**Filing in Support of AirTran Request for Exemption to Obtain Slots at New
York/LaGuardia Airport
On Behalf of
The Central Illinois Regional Airport**

Central Illinois Regional Airport serves an extensive region of downstate Illinois, including the immediate communities of Bloomington and Normal, IL. By virtue of its location, the airport accesses a total population base of over 800,000 people within the radius of a one hour drive. As a result, the airport has developed into a regional air access point in fact as well as in name. In the past year, Central Illinois Regional Airport has become one of the nation's fastest growing airports with enplanements jumping 60%, compared to a national average of approximately 6%.

The emergence of this airport as a dominant factor in the air transportation system of Illinois has led AirTran to apply to the Secretary for exemption from the high density rule at New York/LaGuardia Airport. The carrier seeks to operate two daily flights from Central Illinois Regional Airport to LaGuardia, thereby opening the entire region to nonstop and direct jet flights to the nation's largest metropolitan area. Central Illinois Regional Airport herein urges the Secretary to approve AirTran's proposal.

The Central Illinois Regional Airport would point out that the AirTran proposal is consistent with the intentions of the Department to foster new competition that will benefit the consumer.

The AirTran proposal meets the essential need of opening an entire region of the nation to direct service to New York. Not only will consumers in Bloomington and Normal benefit, but also will consumers in Springfield, Peoria, Champaign, Urbana, and Decatur. None of these cities has direct access to New York, none have any eastbound jet service. For a region of this size not to have direct access to New York is a situation that can be rectified by approval of the AirTran proposal. With this approval, seven important business and commercial centers will gain access to New York.

While it is acknowledged that LaGuardia Airport is a busy one, the AirTran proposal represents little or no material danger of increasing delays at that facility. Central Illinois Regional Airport would point out that the Department's published data prove that LaGuardia boasts one of the best records for on-time departure performance among large US airports. Of the 27 airports for which airlines report such data, LaGuardia is consistently in the top seven for on-time departures. In the latest data reported, LaGuardia was ranked fifth, with 86.9% of departures reported within 15 minutes of schedule.¹ The best airport in this regard, San Diego, was only marginally better, at 88.3%. LaGuardia consistently has a higher percentage of on time departures than many less congested airports. In fact, LaGuardia is consistently better in this regard than even Denver's new state-of-the-art airport.² LaGuardia currently handles hundreds

¹ Department of Transportation consumer Report 202 for April 1997.

² In April, 1997, Denver was 7th, LaGuardia 5th. In February, Denver was 20th, LaGuardia 4th.

of daily departures, and the addition of the few flights proposed by AirTran will not result in any degradation of the airport's operational performance.

It is expected that AirTran will experience very high load factors at LaGuardia. However, this will not strain the facilities at that airport. As a rough estimate, based on an average six day per week schedule with 12 daily departures at a 70% load factor, AirTran can be expected to enplane approximately 363,000 passengers annually at LaGuardia. This figure represents less than 3.5% of the airport's traffic.³ In light of the fact that LaGuardia passenger traffic has actually dropped about 6% since 1990, this estimate does not in any way represent a strain on the landside facilities of the airport.

**The AirTran Proposal is Consistent With The Needs of Both Illinois
and the City of New York.**

Furthermore, the proposal by AirTran represents relief from a burden now borne by consumers in New York as well as in Illinois. That burden is high fares now being charged by existing airlines operating within the comfort of near *de facto* monopoly at LaGuardia. The AirTran proposal represents new low-fare competition to the over 20 mid-size cities that will be able to access LaGuardia in the regions served by the airports at Moline-Quad Cities, Bloomington-Normal, Toledo, Akron, and Knoxville. In this, it also benefits consumers in Queens and the New York/Long Island metro area who currently must pay exorbitant fares to travel to these cities. Without doubt, consumers will welcome the addition of low fare service and better flight schedules between New York and the cities in the regions served by the airports proposed by AirTran.

AirTran Proposal Does Meet "Exceptional Circumstances" Test

The AirTran proposal represents the opening of New York/LaGuardia Airport to not only the four airports noted in the proposal, but to four entire regions of the nation. The four airports will give LaGuardia access to at least *twenty* mid-size communities, all within approximately an hour's drive of airports noted in AirTran's proposal. None of these communities have high levels

³ Based on 120-seat 737s, operating a schedule equivalent to 12 departures weekdays and 12 over weekends, with a 98% departure reliability.

of current air service, and none have existing nonstop service to New York. In an airline business environment where there are fewer, not more, new airlines, the AirTran proposal represents a unique and possibly last chance for such regions to have low-fare nonstop access to New York.⁴ If the Department rejects the AirTran proposal, these regions are not likely to see material improvements in access to New York in the foreseeable future.

LaGuardia Slots Should Be Granted to AirTran

AirTran is requesting that slots be made available to it for the proposed LaGuardia service. The Central Illinois Regional Airport understands that there are other options by which AirTran can gain access to slots, primarily by either buying or leasing them from other airlines. However, it is clear that the high costs of such avenues are essentially barriers to entry for new carriers. This is simply because the prices of slots - which many of the incumbents never paid for in the first place - have been bid up to levels that make it economically impossible to buy enough slots to provide any meaningful schedule of service.

The AirTran proposal is hardly onerous, and merely asks for a sufficient number of slots to become a somewhat meaningful factor in the LaGuardia market, albeit a small one. If forced to purchase or lease slots (especially from incumbent carriers who paid nothing for them) the net result would be to grant a de facto monopoly to existing carriers, and to allow such carriers to artificially inflate the costs borne by potential competitors. Central Illinois Regional Airport therefore respectfully urges the Department to grant to AirTran the necessary slots to carry out its intent to bring new competition and lower fares to the citizens of New York City and those of Illinois.

The AirTran Proposal Is Unique

There is no doubt that many airlines and many communities would benefit from additional access to LaGuardia. Central Illinois Regional Airport submits that the AirTran proposal must be

⁴ The majority of start-up jet airlines established for scheduled passenger service since 1978 have failed, according to a study conducted by the Allied Pilots Association in April, 1996. AirTran is one of the few financially successful start-up airlines.

considered on its merits as an improvement in airline service and in airline competition. Granting the AirTran request does not require the Department to then allow any and all airlines to enter LaGuardia. The issue should be determined based on the consumer benefit that the AirTran proposal represents; it should not be considered establishment of some sort of case law. The AirTran proposal is unique in that its intent is to open entire regions to New York service.

CONCLUSION

Central Illinois Regional Airport strongly urges the Department to rule favorably on AirTran's request for exemption to the high density rule.


Respectfully Submitted,

A handwritten signature in black ink, reading "Michael B. LaPier", is written over a solid horizontal line.

Michael B. LaPier, A.A.E.
Executive Director
Central Illinois Regional Airport
at Bloomington-Normal
2901 E. Empire Suite 200
Bloomington, IL 61704

CERTIFICATION OF SERVICE

I hereby certify that I served a copy of the foregoing Filing in Support of AirTran Request for Expenption to Obtain Slots at New York/LaGuardia Airport on June 12, 1997 by first class mail, postage prepaid, to each of the parties on the service list below:


Michael B. La Pier

Robert D. Swenson
President & CEO
AirTran Airways, Inc.
4170 Wiley Drive
Orlando, FL 32827

Richard J. Fahy, Jr.
1800 Diagonal Road
Suite 600
Alexandria, VA 22314

Lawrence H. Brinker, Esq.
General Counsel
AirTran Airways, Inc.
4170 Wiley Drive
Orlando, FL 32827

Joel Stephen Burton
Ginsburg, Feldman & Bress
1250 Connecticut Avenue, N.W.
Suite 800
Washington, DC 20036

Carl Nelson
1101 17th Street N.W.
Washington, D.C. 20036

Richard D. Mathias
Frank J. Costello
Cathleen Peterson
Zuckert, Scoutt & Rasenberger
888 17th Street, N.W.
Suite 600
Washington, D.C. 20006

R. Bruce Keiner, Jr.
Crowell & Moring
1001 Pennsylvania Avenue, N.W.
Suite 1100
Washington, D.C. 20004

Fred Krum
Director of Aviation
Akron-Canton Regional Airport
Authority
5400 Lauby Road N.W.
Box 9
N. Canton, OH 44720

Robert E. Cohn
Shaw, Pittman, Potts & Trowbridge
2300 N. Street N.W.
Washington, D.C. 20037

John Gillick
Winthrop, Stimson, Putnam
1133 Connecticut Avenue NW
Suite 1200
Washington, D.C. 20036

Robert P. Silverberg
Klein & Bagileo
1101 30th Street, N.W.
Washington, D.C. 20007

Mark D. VanLoh, A.A.E.
Director of Airports
Toledo Express Airport
11013 Airport Highway
Box 11
Swanton, OH 43558

Megan Rae Poldy
Associate General Counsel
Northwest Airlines, Inc.
901 15th Street, N.W.
Suite 310
Washington, DC 20005

Terry Igoe
President
Metropolitan Knoxville Airport
McGhee Tyson Airport
P.O. Box 15600
Knoxville, TN 37901

The Honorable Rudolph W. Giuliani
Mayor of New York
City Hall
New York, NY 10007

D. Scott Yohe
Senior Vice President-
Government Affairs
Delta Air Lines, Inc.
1629 K Street, N.W.
Washington, D.C. 20006

John Varley
General Attorney
Delta Air Lines, Inc.
Law Department #986
1030 Delta Boulevard
Atlanta, GA 30320

Robert J. Kelly
Director of Aviation
Port Authority of NY/NJ
One World Trade Center
Room 65 West
New York, NY 10048

Kent George
Director of Aviation
Quad Cities Airport
2200 69th Avenue
Moline, IL 61265

Patricia Lane
Federal Aviation Administration
Office of Chief Counsel
Air Space & Air Traffic Law Branch
800 Independence Avenue, S.W. Room 917
Washington, D.C. 20591

Michael Rogovin
Deputy Counsel
120-55 Queens Blvd
Kew Gardens, NY 11424